

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1595-01  
Bill No.: HB 474  
Subject: Bonds - General Obligation and Revenue; Environmental Protection; Water  
Resources and Water Districts  
Type: Original  
Date: February 26, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue			(\$1,289,688)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,289,688)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **State Treasurer's Office, Attorney General's Office and the State Auditor's Office** assume this proposal would have no fiscal impact on their agencies.

Officials of the **Department of Natural Resources (DNR)** assume that bonds are sold on an as needed basis. Bond sales lag authorization by approximately 3 years.

37(e) money is approved for \$10 million to be spent as follows:

\$3 Million for the 40% State Construction Grant Program

\$2.5 Million for the Rural Water and Sewer grants

\$4.5 Million for the Clean Water State Revolving Fund (20% match required to receive Federal Funds)

37(g) money is approved for \$10 Million to be spent as follows:

\$5 Million for Rural Water grants and loans

\$5 Million for Rural Sewer grants and loans

ASSUMPTION (continued)

37(h) money is approved for \$20 Million to be spent as follows:  
 \$10 Million for storm water grants  
 \$10 Million for storm water loans

Officials from the **Office of Administration** assume 1) Issue date will depend on the use of available bond proceeds for bonds authorized but not yet issued.; 2) 25 year maturity; 3) 7% interest rate; 4) Level debt service; 5) Analyzed cost is based on sale in FY06 of \$15 million for section 37(g). Sections 37(e) and 37(h) will not use new authorization in FY04 through FY06.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<u>Costs - Office of Administration -</u>			
<u>Division of Accounting</u>			
Equipment and Expense	\$0	\$0	(\$530)
Paying Agent Fees	\$0	\$0	(\$2,000)
Other Fund costs	<u>\$0</u>	<u>\$0</u>	<u>(\$1,287,688)</u>
Total <u>Costs</u> - Office of Administration -			
Division of Accounting	<u>\$0</u>	<u>\$0</u>	<u>(\$1,289,688)</u>

**Total cost for bond redemption and interest over the life of the bond issues would be approximately \$32,192,200.**

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

In addition to amounts authorized prior to August 28, 2004, this bill authorizes the Board of

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Fund Commissioners to issue bonds for grants and loans pursuant to several sections of Article III of the Missouri Constitution. The authorizations are for:

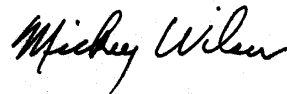
DESCRIPTION (continued)

- (1) \$10 million of bonds for waste water pollution control, drinking water system improvements, and storm water control pursuant to Section 37(e);
- (2) \$10 million of bonds for rural water and sewer projects pursuant to Section 37(g); and
- (3) \$20 million of bonds for storm water control plans, studies, and projects in first classification counties and the City of St. Louis pursuant to Section 37(h).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration  
State Treasurer's Office  
State Auditor's Office  
Attorney General's Office  
Department of Natural Resources



Mickey Wilson, CPA  
Director  
February 26, 2003

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